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Chapter 4

The Question of Input, Control and Output Legitimacy in Economic RIOs

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Scholars disagree on the question of whether intergovernmental organizations (IGOs) have only output legitimacy, or also have input and control legitimacy. The same question may be asked of regional integration organizations (RIOs). Based on an analysis of 31 economic RIOs, this chapter will answer the question of whether economic RIOs contribute primarily to output legitimacy, as is generally assumed, or also contribute to input and control legitimacy. The chapter deals with the characteristics of economic RIOs relevant to legitimacy and presents in the last section the indicators which permit empirical research into the three forms of legitimacy within economic RIOs.

Two Conflicting Views

IGOs, according to Robert Dahl, are inherently ill-suited to democratic governance. He regards them as bureaucratic bargaining systems and argues that governments take decisions without much control by, or even awareness of, the citizens of the member states (Dahl 1999, 33–4; see also Erthal, chapter 3). The legitimacy of IGOs, according to Dahl, is not to be found in their ‘democraticness’, but rather in their effectiveness, superior knowledge and concern for affected parties. Elite bargaining in IGOs in terms of legitimacy as discussed in this volume is not a matter of ‘input’ or ‘control’ legitimacy, but rather of ‘output’ legitimacy. Others, such as Ruth Grant and Robert Keohane, argue that the authority of IGOs to act in the international arena is explicitly conferred on them by nation-states, which implies that they can be held accountable for their behaviour. For these authors, legitimacy depends on conformity to established international agreements and shared norms. The legal instruments here are the charters of the IGOs ‘that specify the procedures by which they have to act to make their rulings authoritative, defining what is often referred to as “input” or “process” legitimacy’ (Grant and Keohane 2005, 35). Hence, they assume that input and control (or process) legitimacy may exist and can be recognized. The responsibilities of IGOs may become recognizable through the purposes, procedures and bodies mentioned in their charters with the aim of monitoring these responsibilities and providing checks and balances in the decision-making process. IGOs may also be held to standards articulated in international law, for instance, if they violate human rights treaties or provisions of international courts or tribunals. The existence of these two views leaves us with the puzzle of whether legitimacy of IGOs is only a matter of *effectiveness or output legitimacy* (as

Dahl, with his sceptical view, assumes), or also one of *support and transparency or input and control legitimacy* (as Grant and Keohane, with their accountability view, suggest). Before defining indicators for the three forms of legitimacy I will elaborate further on economic RIOs specifically.

The Process of Integration and the Nation-State

In order to avoid the impression that there is only one successful example of regional integration which casts its shadow over other efforts, I will not take the Western European integration process as my starting point, but rather the rise of economic regionalism, of which the European case is a part. Economic regionalism has a dynamic, rather than static, character. Cooperation between nation-states may evolve from less to more intensive forms, from free trade agreements to far-reaching integration. Bela Balassa's range of five categories of integration starts with no tariffs or quotas (a free-trade area) and continues with the addition of, in turn, a common external tariff (a customs union), a free flow of production factors (a common market) and harmonization of economic policies (an economic union). It ends with unification of policies and political institutions (total economic integration) (Balassa 1994). In reality, there are even more than these five categories. A preferential trade agreement, for instance, can be considered a weaker form of a free-trade area and a monetary union differs from an economic union. Some organizations do not fit Balassa's range, because their function as 'booster organizations' remains restricted to encouraging regional free trade and/or economic cooperation. Sometimes one of Balassa's categories applies, but the RIO's purposes reach beyond this specific category. The purpose of a customs union, for instance, may be to become a common market or monetary union, whereas in other RIOs, a customs union is the final destination. Regionalism thus demonstrates its dynamic character. 'Early stages of integration tend to concentrate on the elimination of trade barriers and the formation of a customs union in goods. As integration proceeds, the agenda expands to cover non-tariff barriers, the regulation of markets, and the development of common policies at both the micro- and macro-levels' (Hurrell 2000, 43).

Andrew Hurrell clarifies this dynamic character by dividing regionalism into five categories, ranging from rather autonomous transnational economic networks within a certain region (that is, economic regionalization that is not based on the conscious policy of a group of states) to a cohesive and consolidated regional unit (which he calls 'regional cohesion'). His second category refers to regional political activity in conjunction with common attitudes. Regional awareness (or identity) matters because of the 'shared understandings and the meanings given to political activity by the actors involved' (Hurrell 2000, 41). Internal factors (religious traditions, history, or culture) as well as external factors (security threats or cultural challenges) may highlight common elements that promote more intense forms of cooperation than the original coincidental regionalization. His third category, 'regional interstate cooperation', follows on from this common understanding and serves as a 'means of responding to external challenges and of co-ordinating regional positions in international institutions or negotiating forums', or can be developed 'to secure

welfare gains, to promote common values, or to solve common problems, especially problems arising from increased levels of regional interdependence'. Whether this interstate cooperation is formal or informal, it is 'very clearly statist, designed to protect and enhance the role of the state and the power of the government' (Hurrell 2000, 42). This applies still more to his fourth category ('state-promoted regional integration'), which is based on specific policy decisions by governments designed to reduce or remove barriers to the mutual exchange of goods, services, capital and people. In his final category regional cohesion forms the organizational basis for policies within the region across a range of issues. It enables the region to play a defining role in the relations between this group of states and the rest of the world.

Regionalism Subordinated to Universalism

Although RIOs developed before global international organizations, they became subordinate to them. Regionalism first developed in the Western Hemisphere. The International Union of American Republics (IUAR) was established in 1890, and the Central American Union in 1907. In the early 20th century, the IUAR, predecessor of the Organization of American States, represented the multilateral regional approach driven by the US and used in conjunction with the Monroe Doctrine. Obviously aware of the power relations which dominated that part of the world, the founders of the League of Nations recognized the IUAR in 1919. Article 21 of the League's Covenant reads: 'Nothing in this Covenant shall be deemed to affect the validity of international engagements, such as treaties of arbitration or regional understandings like the Monroe doctrine, for securing the maintenance of peace'.

In 1945, during the foundation of the League's successor, the United Nations (UN), the American states expressed their fear that the Dumbarton Oaks proposals for the UN would restrict the capabilities of regional arrangements or agencies with some autonomy in relation to the UN Security Council. The US and other powers, however, feared that such independent regional arrangements could undermine the authority of the universal Security Council which they wanted to establish. A compromise was reached. The authority of regional arrangements would be accepted, as long as they recognized the UN's objectives. Regional arrangements were covered by a special Chapter of the UN Charter with three Articles. Article 52 in Chapter VIII reads:

Nothing in the present Charter precludes the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action provided that such arrangements or agencies and their activities are consistent with the Purposes and Principles of the United Nations.

Although this UN Chapter explicitly refers to security, this understanding of the combination of universalism and regionalism has also had an impact on regional arrangements for economic and social cooperation between states. In principle, the UN only recognizes and accepts economic regional arrangements when they correspond with UN objectives. Most European economic regional arrangements

in the 1930s – such as the British Commonwealth, the French customs union with its colonies, the Baltic Entente and the trade agreement between Bulgaria, Hungary, Rumania and Yugoslavia – were protectionist. The *Oslo States* were among the few that favoured free trade. After 1945, a protectionist orientation was hard to accept within the UN system, given the dominant free-trade orientation of the General Agreement on Tariffs and Trade (GATT). However, the emergence of the GATT regime itself was a political compromise. The failure of the Havana Charter of a proposed International Trade Organization created a situation in which political support for GATT was exchanged for two major exceptions to the Most-Favoured-Nation Treatment as a fundamental GATT standard – namely, the creation of customs unions and common markets. In practice, GATT policies tried to limit these exceptions by arguing that regional arrangements with the character of customs unions or common markets were acceptable as long as ‘trade creation’ occurred and ‘trade diversion’ was avoided (Choi and Caporaso 2001). Just like the UN, GATT has ensured that regional arrangements are required to declare their existence, which is followed by an assessment of whether regional arrangements are in line with GATT’s general policies. The World Trade Organization (WTO) has maintained GATT’s method in this regard.

Re-active and Pro-active Regionalism

The driving forces behind the creation of RIOs have been external challenges and the search for strategies to cope with them. For examples of this, we need only look at the US in the early 20th century, when the US opted for a multilateral approach in the Western Hemisphere in which Europe was not to intervene, and again in 1944–1945, when the US initiated the process of international institution building and soon after promoted Western-European integration as a shield against communism (Ikenberry 2001). Here, the external challenges, whether of an economic or a security nature, caused a *re-action* by the hegemon, which in international relations takes the form of an international cooperative alliance whose aim is to resist that challenge. Although realists, who stress the importance of the hegemon’s role in creating regimes, assume that such alliances will be temporary, history has shown that cooperation often goes through a process of institutionalization which enhances the permanent character of cooperation.

However, regionalism does not only result from hegemonic strategies, but also from the *pro-active* policies of weaker states in a certain region. In order to withstand external challenges they themselves may try to become stronger players by uniting on a regional basis. The reluctance of the ‘North’ to let the ‘South’ participate in the world economy on fairer, more equal terms was already an issue at the 1944 Bretton Woods conference. It was decided, however, to give European recovery priority over Southern development (Murphy 1997). This imbalance encouraged the Latin American states to strengthen their position in the world economy through regional cooperation. This pro-active strategy was based on the ideas of the *Dependency School*. For them, regionalism became ‘a tool in the struggle to end the exploitative and dependent relationship between the developing countries (the South) and the

industrialized countries (the North)' (Fawcett 2000, 15). Latin and Central American RIOs, as well as others, are therefore to be seen as autonomous developments, rather than as copies of Western European integration, although to some extent they have drawn on European ideas and experiences.

On the subject of economic regional cooperation among developing states, Andrew Axline discerns four generations of regionalism. An analysis of this development may help to determine the conditions for successful regional cooperation in relation to legitimacy. The first generation consisted of attempts to transfer the policies of trade liberalization that had been applied in industrialized economies to an underdeveloped setting. Examples of this are the Latin American and Caribbean free trade associations established during the 1960s and the Association of South East Asian Nations. The second generation moved away from regionalism as a means of promoting trade and economic growth and used regionalism as a means of industrialization and economic development, known as 'regional import substitution'. Although promoted by the UN regional Economic Commissions, this conflicted with GATT policies. The third generation had a greater political impact since regional cooperation was heading towards the adoption of a common front among developing countries using regional policies as a form of 'collective self-reliance'. 'Joint policies within the region were augmented by regional external policies towards third countries and common negotiating positions in larger international forums' (Axline 1994, 3). This politicization led to turbulent times for RIOs, but although weakened most RIOs remained in existence.

New regional starts (both as reorganizations and new institutions) made around the end of the Cold War (during the late 1980s and early 1990s) mark a fourth generation, with a move back to trade liberalization measures 'often on the basis of overlapping bilateral agreements rather than multilateral regional obligations'. The Andean Group is an example. Another characteristic, revealed by Mercosur and the Southern African Development Community, is 'specific cooperation on individual programmes among several countries' (Axline 1994, 4). The liberalization process of the 1980s, in line with the ideas of Milton Friedman, promoted regionalism as a shield against the consequences of this 'new' globalization. In the insecure environment of the revived Cold War of the 1980s, when bipolarity was still dominant, various regional organizations, often with a strong economic character, represented a serious attempt 'to create a security consensus in a given area without the direct backing of a major external power', according to Louise Fawcett (Fawcett 2000, 16). The 1990s represented a different era which allowed greater freedom to regionalism, the restraints of the Cold War having vanished. Furthermore, the US actively promoted regionalism and even became a practitioner. Feeling the need to manage the increased levels of interdependence in the region, the US became a regional player through NAFTA (North American Free Trade Agreement) and its FTAA strategy for the Western Hemisphere (Free Trade Area for the Americas). Now, preferential trade agreements were used with increasing regularity to help prompt and consolidate economic and political reforms among prospective members, which had been 'a rarity during prior eras', according to Mansfield and Milner. Finally, regionalism was accompanied by 'high levels of economic interdependence, a willingness by the major economic actors to mediate trade disputes, and a multilateral (that is,

the GATT/WTO) framework that assists them in doing so and that helps them to organize trade relations' (Mansfield and Milner 1999, 601).

Conditions for Successful Regional Cooperation

An analysis of the hampering, stagnation and failure of economic RIOs in their ongoing evolution as described above produces at least four conditions which must be met for successful regional cooperation, two at the level of the state and two at the level of the RIO. States engaging in regional cooperation must have sufficient 'stateness', as well as sufficient and stable domestic support. RIOs, in turn, must be able to produce an acceptable distribution of benefits (or losses) and contribute to an understanding among their member states' citizens of their double allegiance (both national and regional).

The *first* condition refers to a nation-state's need for sufficient and viable institutions in order to cooperate regionally. Its political, economic and social systems must be developed and flexible enough to adapt to changing circumstances as a result of external influences while maintaining political and administrative continuity. This 'stateness' was lacking in the 1960s, when newly-created African states began to function as independent but still inadequately equipped entities. A lack of state strength and its negative impact on regionalism are also found more recently as the result of state failure. 'In many parts of the post-colonial world political instability, civil war, economic mismanagement, and environmental degradation interact to undermine the cohesion of state structures, to erode the economic base and social fabric of many weak states, and to produce a deadly downward spiral leading towards disintegration and anarchy' (Hurrell 2000, 67).

The *second* condition is that, given the distributive consequences of cooperation, governments engaged in regional cooperation must be able to gain support from within their domestic system widely enough to continue and intensify integration. 'Those groups suffering losses due to a particular policy or changes in a policy will oppose it, while those benefiting from the policy will support it. Various domestic groups thus will demand different policies, and a government's economic policy choices often will reflect the underlying preferences of the strongest and best-organized interests within society' (Mansfield and Milner 1997, 12). Governments, therefore, must remain aware that the discriminatory effects of regionalism may endanger their popularity, particularly if they want to intensify cooperation.

The *third* condition for success is that governments should agree not only on common policies contributing to the region's development, but also on an acceptable distribution of the benefits between them. The 1960s showed that if agreed mechanisms for the (re)distribution of gains and losses from integration are absent, polarization arises between 'growth' and 'stagnation' poles (cf. Axline 1977, 83–8). Latin American experiences during the same era reveal three problems which beset integration endeavours (cf. Macbean and Snowden 1981, 187–8):

1. the distribution of costs and benefits, especially when dynamic destabilizing

- tendencies emerged that seemed to benefit most those already better off;
2. the incipient politicization of the integration process; and
 3. the necessity among partners to agree on underlying policy goals, which became problematic given the high degree of politicization and strong nationalist feelings.

If the costs and benefits of regional integration are unevenly distributed among the participating states, those not benefiting from them will oppose policies that will bring regional gains. This also raises the issue of identity: does national identity prevail in such situations, or is there sufficient regional identity to counterbalance any nationalist feelings?

This leads us to the *fourth* condition: that governments and populations develop a sense of 'double allegiance' which combines national and regional understandings in such ways that further integration is not blocked. This implies that governments are capable of successfully playing 'two-level games', in which they are aware of national preferences and domestic support and also manage to look for opportunities to intensify regional integration and to win domestic support for them, even when integration can bring potential costs with it. Such situations require awareness among citizens that they are both national subjects and participants in a RIO. The term 'double allegiance' refers to a situation in which national allegiance remains undiminished while citizens develop a secondary allegiance which allows regionalism to continue its existence or to intensify cooperation (cf. Milward 1995, 19). The creation of this secondary allegiance also depends on the RIO. The minimum to be expected is that a RIO which seeks to intensify cooperation also tries to receive support from the citizens of its member states, either by engaging them and their representatives in the common endeavour, or by providing transparency about what is taking place within it.

The first and the third condition for successful regional cooperation ('stateness' and 'RIOness') can be related to control legitimacy, the second and the fourth condition (domestic support and double allegiance) to input legitimacy.

Identifying Input, Control and Output Legitimacy

In order to establish whether economic RIOs display any of the three forms of legitimacy, indicators for each of the three forms need to be established. If economic RIOs have higher aspirations with regard to regional integration (establishing, resuming, or intensifying cooperation), their concern for legitimacy should increase, not only with output legitimacy (effectiveness), but also with input and control legitimacy (support and transparency). The subordination of regional to universal organizations can be related to output legitimacy because it presupposes the universal organizations' consent for regionalism. This leads to the following indicators of input, control and output legitimacy of economic RIOs.

With regard to *input legitimacy*, it can be argued that inputs coming from actors other than governments contribute to this kind of legitimacy. It is assumed that, if such representation is taking place, often in a consultative form, governments have

felt the need to increase the organization's legitimacy by engaging actors involved in domestic or international politics. Indicators are therefore representations by such actors as: 1) parliamentarians, 2) interest groups, 3) non-governmental organizations (NGOs) with a consultative status, 4) experts, 5) subnational authorities, and 6) IGOs with an observer status.

With regard to *control legitimacy*, it can be argued that the presence of independent bodies playing a role alongside governments during the decision-making process within a RIO represents this kind of legitimacy. It is assumed that governments and RIOs establish such international bodies in order to increase control legitimacy. They contribute to checking and balancing the principals (governments) and their involvement provides greater transparency and accountability than if governments were the sole decision makers. Indicators are the availability of: 1) independent secretariats and supranational organs, 2) dispute settlement bodies (tribunals, courts), 3) autonomous monetary institutions (for instance, involving central bank governors), 4) ombudspersons and auditors, and 5) parliamentary structures with co-decision powers.

With regard to *output legitimacy*, it can be argued that recognition by authoritative IGOs such as the UN or GATT represents this kind of legitimacy for economic RIOs. It is assumed that by seeking such recognition, economic RIOs will improve their effectiveness and thus their output legitimacy. The same goes for formal cooperative agreements with other international or regional organizations. Indicators are the presence of: 1) an observer status granted by the UN, 2) notification by the GATT/WTO, 3) an observer status granted by the WTO, 4) an observer status granted by other IGOs, and 5) cooperative agreements with other IGOs.

Input, Control and Output Legitimacy in 31 Economic RIOs

In order to investigate the issue of legitimacy empirically, 31 economic RIOs were selected as characteristic of their region: eight from Africa, four from Asia and the Pacific, five from the Middle East and Western Asia, nine from the Western Hemisphere and five from Central and Eastern Europe/former Second World (Western Europe was excluded). In order to ensure comparable data one encyclopaedic handbook was used as a source for all organizations (Europa Directory 2001).

Table 4.1 provides an overview of these RIOs and their main characteristics. The most common kinds of economic cooperation found among the selected RIOs (sometimes in combination) are: booster organizations (11), preferential trade agreements (11), customs unions (8) and free trade areas (6), with only two common currencies (monetary union), one common market and one economic union (see Table 4.1). With regard to integration perspectives beyond preferential trade agreements, two RIOs will remain a free trade area and two a customs union, whereas 16 also aim towards a common market, economic union and/or monetary union (one even a political union). This number confirms the dynamic character of integration assumed by Hurrell. But it must also be mentioned that the more intensive forms of integration remain small in number (which is different from the purpose of becoming more intensive). 13 of these 31 RIOs went through a process of reorganization, most of

them during the 1990s (9) and 1980s (3). These reorganizations indicate that these economic RIOs were able to adapt to serious changes in their environment and confirm Axline's move from the third to the fourth generation of regionalism (back to measures of trade liberalization due to the new economic mood of the 1980s).

Although most of the RIOs selected are primarily economic organizations, nearly half of them (15) include a security dimension (institutionally: 12; 'on the agenda': 3), an issue hinted at by Fawcett and mentioned by Hurrell as a factor relevant to regional awareness. Five security dimensions are found in booster organizations, four in preferential trade agreements, three in free trade areas, two in customs unions and one in an economic union. This implies that economic regional cooperation, irrespective of type, does not need to restrict itself to economic issues.

Tables 4.2, 4.3 and 4.4 provide the various forms of legitimacy (input, control and output) found according to the indicators discussed above. The general finding of the investigation with regard to the three forms of legitimacy is that all forms of legitimacy (input, control and output) are found in the group of 31 RIOs. Comparing the three forms of legitimacy, output legitimacy proves the strongest of the three with a 'total value' of 74, followed by input legitimacy at 52 and control legitimacy at 43. This order was determined by assessing the legitimacy aspect of each RIO (with a scale ranging from 'absent' to 'very strong', in combination with grades ranging from zero to five; see legend under Table 4.2) and calculating a total score for all 31 RIOs. Referring to the two views discussed in the first section (Dahl's sceptical view and Grant and Keohane's accountability view) we may conclude that the data does not support the sceptical view. Input and control legitimacy may be weaker than output legitimacy, but they are clearly present.

Output legitimacy is expected by both views. The subordination of regionalism to universalism implies that, in order to perform, RIOs need to pursue the same goals as universal IGOs, such as the UN and GATT/WTO, and/or need to conclude formal agreements with other IGOs. The findings shown in Table 4.4 confirm these expectations. According to the five indicators, output legitimacy was found in 17 RIOs having a UN observer status, 19 providing GATT/WTO notifications, 13 having a WTO observer status, two having an observer status elsewhere, and 23 having concluded cooperative agreements with other IGOs. Conclusion: given the total numbers of observer statuses (32), notifications (19) and agreements (23), RIOs are recognized by universal IOs, thus enhancing their output legitimacy.

Input Legitimacy is not expected by Dahl but hinted at by Grant and Keohane. It is related to the necessity of finding sufficient domestic support in combination with an understanding of the evolving integration. According to the six indicators, input legitimacy was found in 19 parliamentary structures (of which two were just proposals), 19 arrangements for interest group representation, nine arrangements for NGO representation, three arrangements for the inclusion of experts, and one arrangement for subnational authorities representation. Although these indicators do not necessarily reveal their actual influence (see, for instance, Malamud and De Sousa, chapter 5), it must be observed that parliamentarians are involved in nearly two-thirds of the cases (19 of 31 RIOs). This equals the number of arrangements for interest group representation (19) and is roughly twice as large as the arrangements for NGO representation (9). Seven RIOs provide outsiders (IGOs) with the opportunity

to observe directly what is going on within their organization (see Table 4.1). The numbers of other indicators (experts, subnational authorities) remain small. The conclusion is, then, that the numbers of parliamentary structures and interest group representation (both 19) indicate that input legitimacy matters, mostly through these channels, rather than through NGO or IGO representation. It must be observed that the engagement of parliamentarians in this group of RIOs is a rather recent, post-Cold War phenomenon – one arrangement dates back to 1979, three to 1989, nine to the 1990s and four to 2002.

Control Legitimacy is not expected by Dahl but is hinted at by Grant and Keohane and relates to providing transparency and checks and balances *vis-à-vis* governments in order to avoid the problems that beset earlier integration endeavours. According to the five indicators control legitimacy was found in four active secretariats, 19 arrangements of dispute settlement (often as a court of justice: 12; two being planned), 16 arrangements with autonomous monetary institutions (of which nine involving central bank governors), and four auditing arrangements; no co-decisive parliamentary structures were found (see Table 4.3). Control legitimacy is thus most visible in judicial procedures (in 19 of 31 RIOs) as well as in autonomous monetary arrangements (16). Control by other arrangements, such as active secretariats or independent Commissions (4), auditors (4) or co-decisive parliaments (0), is rare. The conclusion is, then, that control legitimacy is present, and is effective mostly through judicial and monetary channels. Dispute settlement arrangements often are part of a RIO's design, but it may take a while before they start functioning. Independent monetary arrangements arise during the process of integration.

Table 4.5 shows the distribution of the results of the major legitimacy indicators among the various kinds of cooperation among the 31 RIOs (this time combinations are neglected). For instance, seven out of 11 booster organizations, five out of nine preferential trade agreements, three out of five free trade areas and all five customs unions have parliamentary arrangements. Five out of 11 booster organizations, five out of nine preferential trade agreements, three out of five free trade areas and all five custom unions have a dispute settlement arrangement. The table indicates that all kinds of cooperation display almost all of the ten legitimacy indicators to some extent. There are hardly any empty cells (with the major exception of the economic union column). This implies that awareness of legitimacy is a matter of regionalism, independent of its specific form. It underlines the previous conclusion that Dahl's sceptical vision with regard to input and control legitimacy is disputable.

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Table 4.1 Characteristics of 31 Regional Organizations

Acronym	Full Name	Established/ Reorganized	Kind of Cooperation*	Integration Perspectives	Security Dimension	Strength
1 AMU	Arab Maghreb Union	1989	5 BO; common front vis-à-vis EU members			Functioning weakly
2 APEC	Asia Pacific Economic Cooperation	1989	21 BO for free and open trade and investment			
3 ASEAN	Association of South East Asian Nations	1967	10 PTA 1992; Common Effective Preferential Tariff 1993	AFTA 2008; CU	ASEAN Regional Forum	
4 BSEC	Black Sea Economic Cooperation	1992	11 BO			
5 CACM	Central American Common Market	1960 1991 subsystem of SICA	5 CU 1961	CM		Functioning as subsystem
6 CAEU	Council of Arab Economic Unity	1957 (start in 1964)	12 BO towards CM; joint ventures	CU		Functioning weakly
7 CAN	Andean Community of Nations	1969 Andean Group 1996 CAN	5 PTA 1992; FTA 1993; CET 1995	CM 2005	Some common foreign policy since 1997	

Table 4.1 continued

8	CARICOM	Caribbean Community and Common Market	1965 CARIFTA: Caribbean FTA 1973 CARICOM	15	CU 1974; FTA services 2003	CM	Foreign policy coordination
9	CBSS	Council of Baltic Sea States	1992	11 + EU	BO		Background issue
10	CEFTA	Central European Free Trade Agreement	1992	8	FTA 1994		Functioning for non-EU members
11	CIS	Commonwealth of Independent States	1992	12	FTA 1999	CU; Common Economic Space	Collective security agreement
12	COMESA	Common Market for Eastern and Southern Africa	1981 PTA for Eastern and Southern Africa 1994 COMESA	21	PTA 1981; PTA 1995	FTA 2000 (9/21); CU 2008; CM and MU 20025	On the agenda
13	EAC	East African Community	1967-1977 EAC; 1993 Permanent Tripartite Committee 1999 EAC	3	PTA 2000	FTA, CU, CM, MU, PU	Political cooperation and defence on the agenda
14	EAEC	Eur-Asian Economic Community	2000	5	CU 1999	Common Economic Space	

Table 4.1 continued

15	ECCAS	Economic Community of Central African States	1983	11	BO	CU; CM	Council for Peace and Security in Central Africa	Malfunctioning since 1992
16	ECO	Economic Cooperation Organization	1964 Regional Cooperation for Development 1985 ECO	10	PTA 1992			
17	ECOWAS	Economic Community of West African States	1975 established 1993 reorganized	16	BO	FTA, MU	ECOWAS Monitoring Group; Mechanism for Conflict Prevention, Management, Resolution and Security	
18	EMCCA	Economic and Monetary Community of Central Africa	1964 Customs and Economic Union of Central Africa 1994 EMCCA	6	PTA 2000	EU, MU		
19	GCC	Gulf Cooperation Council	1981	6	PTA 1984; CU 2003	MU 2010	On the agenda	

Table 4.1 continued

20	IGAD	1986 IGADD Intergovernmental Authority on Drought and Development 1996 IGAD	7	BO	Conflict Early Warning and Response Mechanism
21	LAIA	Latin American Integration Association 1960 LAFTA Latin American Free Trade Association 1981 LAIA	8	PTA 1982	CM
22		Southern Common Market 1991	4	CU 1992	CM
23	NAFTA	North American Free Trade Agreement 1992	3	FTA 1993; services 1995	
24	OECS	Organization of Eastern Caribbean States 1968 Eastern Caribbean Common Market 1981 OECS	7	CU 1968; Single Market 1988; single currency; EU 2003	Defence and Security Committee

Table 4.1 continued

25	PIF	Pacific Islands Forum	1971 South Pacific Forum; since 2000 PIF	16	PTA 1981: SPARTECA South Pacific Regional Trade and Economic Cooperation Agreement	FTA	Nuclear-free zone
26	SAARC	South Asian Association for Regional Economic Cooperation	1985	7	PTA 1997: SAPTA South Asian PTA	FTA	
27	SADC	Southern African Development Community	1980 SADC Southern African Development Coordination Conference 1992 SADC	14	FTA 2004	CM	Organ on Politics, Defence and Security Cooperation
28	SEECF	South East European Cooperation Process	1996	9	BO		Good neighbourhood, stability and security
29	SELA	Latin American Economic System	1975	28	BO		Functioning weakly

Table 4.2 Input Legitimacy in 31 Regional Organizations

Acronym	Interest Groups	NGOs with Consultative Status	Experts	Subnational Authorities	IGO's with Observer Status	Assessment Input
1 AMU	Consultative Assembly 1989					Very weak
2 APEC	APEC Advisory Business Council 1995		Engagement of academics		ASEAN Secretariat; Pacific Economic Cooperation Council; PIF Council; PIF Secretariat	Present
3 ASEAN	Business interest groups (called NGOs) 1986	guidelines for relations with NGOs (mainly interest groups) 1986			UN Development Programme is ASEAN Dialogue Partner 1977	Weak
4 BSEC	Parliamentary Assembly 1993	BSEC Business Council (observer status)			Black Sea Commission; Energy Charter Secretariat	Present
5 CACM	Central American Parliament 1989 (later within SICA)	Secretariat unit for cooperation with private sector				Very weak

Table 4.2 continued

6	CAEU								Absent
7	CAN	Andean Parliament 1979	Andean Business Advisory Council; Andean Labour Advisory Council 1998	Working Committee on rights of indigenous people, human rights, civil society 2001					Weak
8	CARICOM	Assembly of Caribbean Community Parliamentarians 1994			In specialized institutions		OECS associated member		Weak
9	CBSS	Baltic Sea Parliamentary Conference 1991	Business Advisory Council 1997; Baltic Sea Chambers of Commerce Association; Baltic Sea Trade Union Network	Baltic Sea NGO Forum 2001		Baltic Sea States Subregional Cooperation 1993	Union of Baltic States; Organization for Economic Cooperation and Development participation in Working Group on economic cooperation		Very strong
10	CEFTA								Absent

Table 4.2 continued

11	CIS	Inter-Parliamentary Assembly 1992		Very weak
12	COMESA	Proposal to establish COMESA Association of National Assemblies 2002	Consultative Committee of the Business Community Support for Federation of National Associations of Women in Business 1993; Private Sector-Civil Society Desk 2004	Weak
13	EAC	East African Legislative Assembly 1999	Art. 127-129 about private sector and civil society, particularly business organizations See under interest groups; Art. 122 enhancing role of women	Weak
14	EAEC	Inter-Parliamentary Assembly 2002		Very weak
15	ECCAS	ECCAS Network of Parliamentarians 2002	Consultative Commission (experts)	Weak

Table 4.2 continued

16	ECO		ECO Chamber of Commerce and Industry		Very weak
17	ECOWAS	ECOWAS Parliament 2002	Economic and Social Council to be established: consultation of interest groups (Art. 82)	Economic and Social Council to be established: consultation of NGOs (Art. 81)	Weak
18	EMCCA	Community Parliament 1994			Very weak
19	GCC	Consultative Council 1997			Very weak
20	IGAD		Private Sector Forums 2002	IGAD Women's Desk 1999; IGAD Civil Society Forums 2001	Weak

Table 4.2 continued

21	LAIA	Entrepreneurial Advisory Council; Labour Advisory Council (bodies of Committee of Representatives)	UN Economic Commission for Latin America and the Caribbean, EU, Inter- American Development Bank, Organization of American States, UN SELA, UN Development Programme	Weak
22		Joint Parliamentary Commission 1991	Consultative Economic and Social Forum (business and labour unions)	Weak
23	NAFTA		(Commission for Labour Cooperation) (Commission for Environmental Cooperation)	Very weak

Table 4.2 continued

24	OECS	Private Sector Consultative Group in Eastern Caribbean Central Bank 2003	Very weak
25	PIF		Absent
26	SAARC	Association of SAARC Speakers and Parliamentarians SAARC Chamber of Commerce; recognized professional associations	Weak
27	SADC	Parliamentary Forum 1997 In SDAC National Committees In SADC National Committees	Weak
28	SEACP	Regional Parliamentary Conference for South Eastern Europe 1997 IGOs invited as special invitees	Very weak
29	SELA		Absent

Table 4.3 Control Legitimacy in 31 Regional Organizations

Acronym	Independent Secretariat & Supranational Organs	Dispute Settlement Bodies	Autonomous Monetary Institutions	Ombudspersons & Auditors	Co-decise Parliamentary Structure	Assessment Control Legitimacy
1 AMU		Court of Justice 1989				Very weak
2 APEC						Absent
3 ASEAN		High Council 1976 (pacific settlement of disputes)	In discussion			Very weak
4 BSEC			BS Trade and Development Bank 1998			Very weak
5 CACM	Secretariat must ensure that treaties are properly executed	Arbitration Tribunal 1960 (<i>ad hoc</i>)	Central American Bank for Economic Integration 1961; Central American Monetary Council 1964 (CBGs); Central American Fund for Monetary Stabilization 1968			Present
6 CAEU		Settlement of Investment Disputes				Very weak

Table 4.3 continued

7	CAN	Commission; Active General Secretariat	Court of Justice 1979	Andean Development Corporation 1970; Latin American Reserve Fund 1978	Strong
8	CARICOM		Central American Court of Justice 2001 replacing Privy Council	Caribbean Development Bank 1969	Weak
9	CBSS				Absent
10	CEFTA	No secretariat			Absent
11	CIS	Superseded by Executive Committee			Absent
12	COMESA		Court of Justice 1994 replacing PTA <i>ad hoc</i> arrangement	Clearing House 1984, managed by Committee of CBGs 1999; PTA Bank 1985	Weak
13	EAC	Independent secretariat; Guardian of the Treaty	East African Court of Justice 1999	East African Development Bank 1967	Strong

Table 4.3 continued

14	EAEC	No secretariat until 2002	Court planned	Absent
15	ECCAS		Court of Justice 1983	Very weak
16	ECO		ECO Trade and Development Bank 1995	Weak
			ECOSAI: forum of supreme audit institutions ECO members	

Table 4.3 continued

17	ECOWAS	Arbitration Tribunal; ECOWAS Court of Justice 1999	ECOWAS Fund for Cooperation, Compensation and Development 1972 transformed into ECOWAS Bank for Investment and Development 1999; West African Clearing House 1975 replaced by West African Monetary Agency 1996 (CBGs); West African Monetary Institute 2000 (to become WA Central Bank)	Present
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Table 4.3 continued

18	EMCCA	Community Court of Justice 1994	Central African States Bank 1955; Central African States Development Bank 1975; Central African Banking Commission	Auditor's Office as part of Court of Justice	Present
19	GCC	Commission for the Settlement of Disputes 1981 (<i>ad hoc</i>)	Gulf Investment Corporation 1983; Arab Development Fund 1991; Joint Banking Supervisory Committee (CBGs) 1993	Internal Auditing Unit	Present
20	IGAD				Absent
21	LAIA		Council for Financial and Monetary Affairs (CBGs); Meeting of Directors of National Customs Administrations		Very weak

Table 4.3 continued

22	MERCOSUR	Annex III 1991 for solution of controversies; Protocol of Brasilia: Arbitral Procedure	(CBGs are member of Common Market Group, i.e. dependent)	Very weak
23	NAFTA	No secretariat Dispute Settlement Procedure through Free Trade Commission	North American Development Bank 1993; North American Fund for Environmental Cooperation 1995	Very weak
24	OECS	Eastern Caribbean Supreme Court 1967	Eastern Caribbean Currency Authority 1965; Eastern Caribbean Central Bank 1983	Weak
25	PIF			Absent
26	SAARC			Absent

Table 4.4 Output Legitimacy in 31 Regional Organizations

	Acronym	UN Observer Status	GATT/WTO Notification	WTO Observer Status	Observer Status Elsewhere	Cooperative Agreements with IGOs	Assessment Output Legitimacy
1	AMU			CTD			Very weak
2	APEC						Absent
3	ASEAN		30 Oct. 1992 EC AFTA/ASEAN FTA			With EU 1980; ECO 1995; SADC 1997; UNESCO 1998; CAN 2002; UN Economic and Social Commission for Asia and the Pacific 2002; UN General Assembly 2002; Shanghai Cooperation Organization 2005	Present
4	BSEC	X			Energy Charter Secretariat	With UN Industrial Development Organization 1997; UN Economic Commission for Europe 2001; UNEP 2002; EU 2002; World Bank (being elaborated); project cooperation with Food and Agricultural Organization and WTO	Present
5	CACM	Through SICA	24 Feb. 1961 GATT XXIV			With EU 1984, 1993, 1996	Present
6	CAEU						Absent
7	CAN	X	12 Oct. 1992 EC	CTD		With EU 1993; Mercosur 1998	Strong

Table 4.4 continued

8	CARICOM	X	14 Oct. 1974 GATT XXIV; 19 Feb. 2003 GATS V	CTD	With Association of Caribbean States 1997	Strong
9	CBSS					Absent
10	CEFTA		30 June 1994 GATT XXIV		National association agreements with EU	Weak
11	CIS	X	1 Oct. 1999 GATT XXIV		With Organization for Security and Cooperation in Europe Parliamentary Assembly 1998	Present
12	COMESA		26 Sept. 1995 EC		Cooperation agreements with EAC, ECOWAS, IGAD, Indian Ocean Commission, SADC	Weak
13	EAC	X	11 Oct. 2000 EC		Partnerships with African Union, COMESA, IGAD, SADC	Present
14	EAEC	X	21 Apr. 1999 GATT XXIV			Weak
15	ECCAS	X			With African Union 1999	Weak
16	ECO	X	22 Jul. 1992 EC	CTD	Organization of the Islamic Conference	Very strong
17	ECOWAS	X		CTD	With African Union 1998	Present
18	EMCCA		29 Sept. 2000 EC	CTD		Weak
19	GCC		11 Oct. 1984 EC	CTD	With EU 1988	Present
20	IGAD				IGAD Partners Forum (EAC, EU, World Bank, UN Development Programme)	Very weak

Table 4.4 continued

21	LAIA	X	1 Jul. 1982 EC	CTD, CTE, CTBT	With IOs with observer status; CAN 2001	Strong
22	MERCOSUR		5 Mar. 1992 EC		With EU 1992; CAN 1998	Weak
23	NAFTA		1 Feb. 1993 GATT XXIV; 1 March 1995 GATS V			Very weak
24	OECS	X			Associate member of CARICOM; links with Caribbean Development Bank, IDB, World Bank	Weak
25	PIF	X	20 Feb. 1981 EC SPARTECA (South Pacific Regional Trade and Economic Cooperation Agreement)	CTD, CTE	Agricultural cooperation with EU	Strong
26	SAARC	X	25 Apr. 1997 EC SAPTA (South Asian PTA)		With UN Conference on Trade and Development 1993; Colombo Plan, UN Economic and Social Commission for Asia and the Pacific, EU, International Telecommunications Union, UN Drugs Control Program, UN Development Program, UN Children's Fund	Present
27	SADC	X	9 Aug. 2004 GATT XXIV	CTD	With ASEAN, African Union, COMESA, EAC	Strong

Table 4.4 continued

28	SEACP		Various IGO's as special invitees		Absent
29	SELA	X	CTD, CTE, CSPM	With UN Economic Commission for Latin and Central America, G77, UN Conference on Trade and Development	Present
30	SICA	X	CTD	With EU 1993	Present
31	WAEMU		3 Feb. 2000 EC	(With EU)	Weak
Total					
		17	19 GATT/WTO notifications	23 cooperative agreements with IGOs	Absent: 4 Very weak: 3 Weak: 8 Present: 10 Strong: 5 Very strong: 1
		UN observer status	WTO observer status	2 observer status elsewhere	
TOTAL VALUE: 74					

CSPM = Observer status WTO Commission on Sanitary and Phytosanitary Measures
CTBT = Observer status WTO Committee on Technical Barriers to Trade
CTD = Observer Status WTO Commission on Trade and Development
CTE = Observer Status WTO Commission on Trade and Environment
EC = Enabling Clause: allows preferential trade in goods among developing countries (1979 GATT decision)
GATS = General Agreement on Trade in Services
GATT XXIV = Article XXIV of the Agreement as a basic rule for trade in goods

Table 4.5 Legitimacy Indicators According to Kinds of Regional Cooperation

		<i>KIND OF REGIONAL COOPERATION</i>				
		Booster Organization N=11	Preferential Trade Agreement N=9	Free Trade Area N=5	Customs Unions N=5	Econo- mic Union N=1
INPUT LEGITIMACY	Parliamen- tarians	7	5	3	5	0
	Interest Groups	6	7	3	2	1
	NGOs with Consultative Status	3	3	3	0	0
	IGOs with Observer Status	4	2	0	1	0
CONTROL LEGITIMACY	Dispute Settlement Bodies	5	5	3	5	1
	Autonomous Monetary Institutions	3	6	3	3	1
OUTPUT LEGITIMACY	UN Observer Status	5	5	3	3	1
	GATT/WTO Notification	0	9	5	5	0
	WTO Observer Status	4	5	2	2	0
	Cooperative Agreements with IGOs	7	8	4	4	1